



Auditor of Public Accounts
Adam H. Edelen

FOR IMMEDIATE RELEASE

Contact: Stephenie Steitzer
stephenie.steitzer@auditor.ky.gov
502.564.5841
513.289.7667

Edelen Releases Audit of Simpson County Sheriff's Office

FRANKFORT, Ky. – State Auditor Adam Edelen today released the audit of the 2011 financial statement of Simpson County Sheriff Chris Cline. State law requires the auditor to annually audit the accounts of each county sheriff. In compliance with this law, the auditor issues two sheriff's reports each year: one reporting on the audit of the sheriff's tax account and the other reporting on the audit of the fee account used to operate the office.

The audit found that the sheriff's financial statement presents fairly the revenues, expenditures, and excess fees of the Simpson County sheriff in conformity with the regulatory basis of accounting.

As part of the audit process, the auditor must comment on non-compliance with laws, regulations, contracts and grants. The auditor must also comment on material weaknesses involving the internal control over financial operations and reporting.

The audit contains the following comments:

The sheriff's office lacks adequate segregation of duties over cash receipts and bank reconciliations. During review of internal controls, we noted the sheriff's bookkeeper receives and records cash, opens and processes mail, prepares daily checkout sheets, makes daily bank deposits, reconciles bank records to the ledgers, and prepares all monthly reports. The sheriff or another individual did not consistently document oversight of any of these activities.

Lack of oversight could result in misappropriation of assets/and or inaccurate financial reporting to external agencies such as the Simpson County Fiscal Court and the Department for Local Government, which could occur but go undetected.

The sheriff should separate the duties of collecting receipts, preparing daily deposits, preparing reconciliations, and preparing financial reports. If these duties cannot be segregated due to limited staff or limited budget, then strong oversight should be provided to the employee responsible for these duties. These compensating controls should be documented. The control deficiency as described above is a significant deficiency and a material weakness.

Sheriff's response: We have been doing better in this area as the auditors noted. We will continue to segregate duties moving forward.

The sheriff should consult county attorney about vehicle expenditures. The Simpson County Fiscal Court leased the Simpson County sheriff's personal vehicle until December 7, 2011. On December 20, 2011, the Simpson County Fiscal Court voted to reimburse the sheriff for mileage for official use of his personal vehicle. On December 16, 2011, the sheriff had work done on his personal vehicle such as oil change, brake pads and rotors changed, and other service. When the Simpson County sheriff's office contacted the Simpson County judge-executive's office to obtain a purchase order number, the Simpson County treasurer refused to provide a purchase order number. The County treasurer refused because she believed the fiscal court was no longer responsible for these expenditures since the lease between the fiscal court and the sheriff had been terminated on December 7, 2011. When the sheriff received the invoice from this vendor, he paid the invoice in the amount of \$1,409 from the drug fund. On January 10, 2012, the sheriff's office received a refund for overpayment of \$209 from the vendor. We recommend the sheriff consult with the Simpson County attorney about the appropriateness of paying the automobile expenditures of \$1,200 from the drug fund since the expenditure was incurred between the end of the lease and the beginning of the mileage reimbursement.

Sheriff's response: I have been using my personal vehicle since taking over as sheriff in June 2010 exclusively for my duties as Simpson County sheriff. That vehicle is still being used for that purpose on the date of this response. The county agreed to pay all expenses associated with the use of that vehicle including wear and tear, regular maintenance, and fuel costs. We thought the lease agreement was through January 2012. However, the agreement expired in December 2011. As noted, on December 20, 2011 the county agreed to start refunding me for mileage.

From December 7, 2011 until December 20, 2011 the vehicle was still being utilized for the Simpson County sheriff's office and still is being used for that purpose to date.

The brakes, rotors, oil change, and other service performed was a direct result of using that vehicle for the Simpson County sheriff's office. On the advice of counsel, after the county refused to pay for the maintenance work, the vehicle maintenance was paid for out of the drug fund. It is my belief this was appropriate as the vehicle was being used for the duties associated with the Simpson County sheriff's office. For example, that vehicle was used in a high-speed pursuit during which a drug dealer was apprehended and a significant drug seizure was made.

It was a direct result of this pursuit and others, in addition to the normal response to calls of service during which high speeds and extreme wear on the breaking system caused the vehicle to require those services be performed. The county has refused to pay for other items related to the day to day operations at the Simpson County sheriff's office in the past which we were forced to utilize the drug fund to pay for. This instance is no different. I have notified the Simpson County attorney of our decision and I believe the expenditure was very appropriate.

The sheriff should have expended funds for allowable purposes. In Funk vs. Milliken, 317 S.W. 2d 299 (KY 1958), Kentucky's highest court reaffirmed the rule that county fee officials' expenditures of public funds will be allowed only if the expenditures are necessary, adequately documented, reasonable in amount, beneficial to the public, and not predominantly personal in nature. During our test of expenditures we noted the sheriff expended \$412 from the drug account for drug free pens which listed the Sheriff's name on them. We recommend the sheriff deposit personal funds in the amount of \$412 into his drug account for this disallowed expenditure. We recommend the sheriff's office expend funds for official purposes and that these expenditures be necessary, adequately documented, reasonable in amount, beneficial to the public, and not predominately personal in nature.

Sheriff's Response: To clarify, the pens had a drug free message on them which contained the "NO DRUGS" symbol and read:

Sheriff Chris Cline

Simpson County

Sheriff's Office - (which was in a larger font and in bold letters)
Being Drug Free
Is A Clear Choice for Me

First, I believe it is important to point out that no tax dollars were expended. This purchase was made out of the drug account which is money my office has seized from drug dealers. The pens were purchased while I was out of town. Although I am not sure this was "predominately personal" in nature, I have reimbursed the drug account for this expenditure with my personal funds via check.

The sheriff's responsibilities include collecting property taxes, providing law enforcement and performing services for the county fiscal court and courts of justice. The sheriff's office is funded through statutory commissions and fees collected in conjunction with these duties.

The [audit report](#) can be found on the auditor's website.

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The Auditor of Public Accounts ensures that public resources are protected, accurately valued, properly accounted for, and effectively employed to raise the quality of life of Kentuckians.

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